

University of California, Berkeley
Department of Economics

Spring Semester 2003
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ECONOMICS 280A
INTERNATIONAL ECONOMICS

Course Requirement:

A three-hour closed-book exam in the final exam period. Prior knowledge of graduate-level micro-theory necessary for following the class, but no familiarity with international economics required.

For the topics below a small number of readings, mostly from the textbooks, is cited against each general topic, but in class some more detailed readings on subtopics, mostly from journals, will be referred to from time to time. On account of the small number of lectures in the semester in relation to the vastness of the literature on international economics, there will be no mid-term, but I'd urge you to follow along with your readings, as I move from topic to topic, and come to my office hours for discussion, if necessary, instead of leaving all your reading until the final exam time.

Textbooks:

In my lectures I shall not follow any particular book. However, selected chapters in the following textbooks should cover many of the topics to be discussed in class. None of these textbooks is required.

1. P. Krugman, Rethinking International Trade, MIT Press, paperback.
(Chapters 2-7, 14)
2. J. Bhagwati (ed.), International Trade: Selected Readings, MIT Press, paperback.
(Chapters 1, 4, 5, 11, 12, 14, 16, 19)
3. G. Grossman (ed.), Imperfect Competition and International Trade, MIT Press, paperback.
(Chapters 1, 7-8, 12-14, 19)
4. R. Jones and P. Kenen (eds.), Handbook of International Economics, North Holland, Vol. 1, paperback. (Chapters 1-4, 10-12)
5. G. Grossman and K. Rogoff (eds.), Handbook of International Economics, North Holland, Vol. 3. (Part 1).
6. J. Bhagwati, A. Panagariya and T.N. Srinivasan, Lectures in International Trade, 2nd ed., MIT Press, 1998. (Chapters 2-8, 11-15, 18, 30, 37)

Suggested Readings on Specific Topics

A. Theory of Comparative Advantage: The Ricardian Model

- i. Textbook 6, Chapters 2-4.
- ii. Textbook 4, Chapters 1 and 10.

B. Factor Endowments and Pattern of Trade and Specialization

- i. Textbook 6, Chapters 5-8.
- ii. Textbook 4, Chapters 1, 3, and 10.
- iii. Textbook 5, Chapter 26

C. Trade, Factor Prices and Income Distribution

- i. Textbook 4, Chapters 1 and 3.
- ii. Textbook 2, Chapters 1, 4 and 5.
- iii. Textbook 5, Chapter 28
- iv. Journal of Economic Perspectives Symposium on Income Inequality and Trade, Summer 1995.
- v. Journal of International Economics Symposium on Trade and Wages, June 2001.
- vi. Feenstra, 'Global Production Sharing and Rising Inequality: A Survey', June 2001
<http://www.econ.ucdavis.edu/faculty/fzfeens/pdf/Survey-Feenstra-HansonREV.pdf>

D. Scale Economies, Product Differentiation and Trade Patterns

- i. Textbook 3, Part III.
- ii. Textbook 1, Chapters 2-5, 7 and 14.
- iii. Dixit and Norman, Theory of International Trade, Chapter 9.
- iv. Textbook 6, Chapter 11.
- v. Panagariya, Journal of International Economics, February 1986.
- vi. Textbook 5, Chapters 24 and 26.
- vii. Grossman and Helpman, 'Integration versus Outsourcing in Industry Equilibrium', Quarterly Journal of Economics, February 2002.

E. Economic Growth and Trade

- i. Textbook 4, Chapter 4.
- ii. Textbook 6, Chapter 37.
- iii. Bardhan and Udry, Development Microeconomics, Chapter 14.
- iv. Grossman and Helpman, Innovation and Growth in the Global Economy, Chapters 3, 8-12.

- v. Helpman, Econometrica, November 1993.
- vi. Textbook 5, Chapter 25.

F. Trade, Protection and Economic Well-being

- i. Textbook 3, Chapters 7 and 8.
- ii. Textbook 6, Chapters 12-15, 18 and 30.
- iii. Textbook 4, Chapters 2, 11-12.
- iv. Rodrik, 'Global Governance of Trade as if Development Mattered', October 2001,
<http://ksghome.harvard.edu/~drodrik.academic.ksg/UNDPtrade.PDF>
- v. Textbook 2, Chapters 11-12, 14 and 16.
- vi. Textbook 5, Chapters 27 and 30.